



U.S. House of Representatives
Committee on Transportation and Infrastructure

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Chairman

Washington, DC 20515

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May 1, 2007

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SUMMARY OF SUBJECT MATTER

TO: Members of the Subcommittee on Economic Development, Public Buildings, and Emergency Management

FROM: Subcommittee on Economic Development, Public Buildings, and Emergency Management Staff

SUBJECT: Hearing on "The SouthEast Crescent Authority, the Northern Border Economic Development Commission, and Southwest Regional Border Authority"

PURPOSE

The Subcommittee will meet on Thursday, May 3, 2007, at 10:00 a.m., in room 2167 Rayburn House Office Building, to receive testimony from Members of Congress on "The SouthEast Crescent Authority, the Northern Border Economic Development Commission, and the Southwest Regional Border Authority". Members will provide testimony on the potential impact of these commissions on their Districts and States, the role of the Federal Government in economic development, and successful models of economic development with federal support.

BACKGROUND

The Subcommittee on Economic Development, Public Buildings, and Emergency Management has jurisdiction over the authorization and oversight of programs promoting economic development in communities suffering economic distress. The economic development activities of the Subcommittee include jurisdiction over the Economic Development Administration (EDA) of the U.S. Department of Commerce, the Appalachian Regional Commission (ARC), the Denali Commission, the Delta Regional Authority (DRA), and the Northern Great Plains Regional Authority.

Many other regions also experience high poverty, areas of significantly higher than-average unemployment rates, limited access to capital, low per capita personal income, and high job loss. These regions have expressed interest in creating regional economic development authorities, similar to the structure of the ARC, to provide funding for projects that stimulate economic development

and promote the character and industries of the region while not supplanting existing institutions and programs that provide funding, such as the Economic Development Administration, state agencies, and local development organizations.

Northern Border Economic Development Commission

On March 15, 2007, Representative Hodes introduced H.R. 1548, a bill to establish the Northern Border Economic Development Commission. Modeled after the Appalachian Regional Commission (ARC), the Northern Border Economic Development Commission would be composed of a Federal member appointed by the President, with the advice and consent of the Senate, and the Governors of each State in the region covered by the Commission who elect to participate. States covered by the Commission would include Maine, New Hampshire, New York, and Vermont. The proposed legislation authorizes \$40 million each year for fiscal years 2008 through 2012, to fund projects that will foster economic development and job creation in the most economically distressed areas of covered states.

The Commission will establish priorities and approve grants for economic development, assess the region's needs and capital assets, support local development districts or foster the creation of such districts, encourage private investment, and initiate a special resource study of the north woods of Maine. The Commission will give grants to States, local development districts, and public and nonprofit entities for approved projects.

Southeast Crescent Authority (SECA)

On January 4, 2007, Representative McIntyre introduced H.R. 66, a bill to establish the SouthEast Crescent Authority. The bill establishes a Federal economic development commission for a seven-state region that includes parts of the states of Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, and Virginia. States included under the SouthEast Crescent Authority are not eligible for assistance from the ARC or the Delta Regional Authority. The SECA would perform various functions, including: formulating plans and programs to spur economic development, and approving grants to States and public and nonprofit entities toward that end; establishing priorities in a development plan for the region; supporting local development districts and creating them where they do not exist; and encouraging private investment in the region. The SECA would annually designate economically distressed counties and isolated areas of distress in non-distressed counties.

SECA would be modeled after the highly successful ARC, which has assisted in eliminating large pockets of poverty in Appalachia. The Governors of the seven participating States or their appointees shall serve on the SECA board of directors, along with a Federal Co-chair appointed by the President of the United States. The States' Co-chair would be elected from among the seven Governors or appointees. Projects eligible for funding under SECA include infrastructure development, education and training, entrepreneurship and leadership development.

Southwest Regional Border Authority

On April 26, 2007, Representative Reyes introduced H.R. 2068, a bill to establish the Southwest Regional Border Authority. The bill establishes a Federal economic development authority for certain counties in Arizona, California, New Mexico, and Texas. The Authority shall

develop comprehensive and coordinated plans and programs to establish priorities and approve grants for the economic development of the region. The Authority shall also conduct and sponsor investigations, research, and studies, including an inventory and analysis of the resources of the region, using the materials compiled by the Interagency Task Force on Economic Development of the Southwest Border established by Executive Order No. 13122. The Authority shall also encourage private investment in industrial, commercial, and recreational projects in the region, and provide a coordinating mechanism to avoid duplication of efforts among the border programs of the Federal agencies and the programs established under the North American Free Trade Agreement.

PREVIOUS LEGISLATIVE HISTORY

In the 109th Congress, Rep. McIntyre introduced H.R. 20, a bill to establish the SouthEast Crescent Authority, and the bill was referred to the Subcommittee on Economic Development, Public Buildings, and Emergency Management. On July 12, 2006, the Subcommittee held a hearing on H.R. 20. No further action was taken.

In the 109th Congress, Rep. Michaud introduced H.R.1695, a bill to establish the Northeast Development Commission, and the bill was referred to the Subcommittee on Economic Development, Public Buildings, and Emergency Management. On July 12, 2006, the Subcommittee held a hearing on H.R. 1695. No further action was taken.

In the 109th Congress, Rep. Reyes introduced H.R. 5742, a bill to establish a Southwest Regional Border Authority, and the bill was referred to the Subcommittee on Economic Development, Public Buildings, and Emergency Management. On July 12, 2006, the Subcommittee held a hearing on H.R. 5742. No further action was taken on the bill.

WITNESSES

PANEL I

The Honorable Paul W. Hodes
Member of Congress
New Hampshire, District 2

The Honorable Peter Welch
Member of Congress
Vermont, At Large

PANEL II

The Honorable Mike McIntyre
Member of Congress
North Carolina, District 7

The Honorable Elizabeth Dole
Senator
North Carolina

The Honorable Robin Hayes
Member of Congress
North Carolina, District 8

The Honorable G.K. Butterfield
Member of Congress
North Carolina, District 1

PANEL III

The Honorable Silvestre Reyes

Member of Congress

Texas, District 16

The Honorable Bob Filner

Member of Congress

California, District 51

The Honorable Ruben Hinojosa

Member of Congress

Texas, District 15

The Honorable Ciro D. Rodriguez

Member of Congress

Texas, District 23

The Honorable Henry Cuellar

Member of Congress

Texas, District 28